

PHILIP MORRIS U. S. A.
INTER-OFFICE CORRESPONDENCE
RICHMOND, VIRGINIA

To: . TITL and FTC Files
From: . R. B. Seligman
Subject: . TITL

Date: February 10, 1978

On this date, I discussed with Preston Leake, of American Tobacco Company, two matters:

- 1) A nicotine collaborative study has been concluded in which both TITL and FTC laboratories participated. The results of the collaborative study are to be presented at an AOAC meeting. It is expected AOAC will adopt the procedure as an official method during 1978.

Mr. H. Pillsbury has informed W. Steele that once the method is adopted by the AOAC, the FTC is free to use it for their cigarette analyses.

Preston raised the question whether TITL laboratory should now be equipped with a gas chromatograph to carry out similar analyses.

I repeated my statement made many months ago that I felt a gas chromatograph should be made available to W. Steele so he could be prepared to reproduce the AOAC method. I also reminded Preston that it was his legal counsel, Mr. Hetsko, who prevented TITL from obtaining the GC early last year. I suggested that the counsel of lawyers be contacted to see if they have changed their opinion.

- 2) Preston then went on to discuss the new machine FTC received for determining CO. As I recall, this machine was manufactured by Phipps and Bird under a grant, which we believe came from NCI.

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At present, H. Pillsbury is determining tar and nicotine on the machine to insure the new numbers are the same as those he had previously obtained from his old machine. It is Preston's understanding that H. Pillsbury has filed a patent application for the machine, or some part of it.

H. Pillsbury is expected to make a technical presentation concerning this new machine at the forthcoming AOAC meeting in Reston, Virginia and the TCRC meeting in Montreal, Canada.

In discussions with Mr. Frank Lauthan, of Phipps and Bird, Preston learned that Phipps and Bird was contracted to develop a machine. When Mr. Lauthan asked for exclusive rights to make the machine, Pillsbury withheld comment. It is Mr. Lauthan's opinion that the FTC will give Phipps and Bird a non-exclusive license at best. Mr. Lauthan further informed Preston that they will have a hospitality suite at the AOAC and TCRC meetings and will try to publicize their new machine at that time. Of course, this means contract arrangements will have to be concluded by that time.

NOTE: I did not tell Preston that Mr. Lauthan has given Philip Morris first right of refusal on the second machine they make. Also, I have asked Alex Holtzman not to reveal this information (re: the second machine) to the other lawyers. I feel it would compromise their position with the rest of the industry.

cc: Mr. F. E. Resnik
Mr. J. E. Wickham

R. Seligman

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